

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

LIGHTS OUT HOLDINGS, LLC, a  
California limited liability company;  
SHAWNE MERRIMAN,  
Plaintiffs,  
v.  
NIKE, INC., an Oregon corporation,  
Defendant.

Case No.: 3:14-cv-00872-JAH-NLS

**ORDER ON JOINT MOTION FOR  
DETERMINATION OF DISCOVERY  
DISPUTE**

(Dkt. No. 70)

**I. INTRODUCTION**

Before the Court is the parties' Joint Motion for Determination of Discovery Dispute. (Dkt. No. 70.) Plaintiffs Lights Out Holdings, LLC ("LOH") and Shawne Merriman ("Merriman") request the Court to compel Defendant Nike, Inc. ("Nike") to produce further documents and information in response to certain discovery requests pertaining to allegedly unauthorized and counterfeit Nike football jerseys that use the Lights Out mark. For the reasons explained below, the Court **GRANTS** Plaintiffs' request to compel Nike to produce further documents and information responsive to discovery requests at issue, **ORDERS** the parties to meet and confer as specified herein.

## II. RELEVANT FACTUAL BACKGROUND

Plaintiffs filed this action against Nike asserting claims for trademark infringement, federal and common law unfair competition, and false endorsement. Nike asserts counterclaims for declaratory judgment of non-infringement, declaratory judgment of invalidity and cancellation of the '212 Registration, declaratory judgment of abandonment, and also asserted a counterclaim for procurement of the Registration through false or fraudulent declaration or representation.

On April 29, 2015, LOH served Special Interrogatories Set Two to Nike. Plaintiffs also served Requests for Production Set Two to Nike ("Plaintiff's RFPs"). On May 1, 2015, Merriman served his Special Interrogatories Set Two to Nike.

On June 4, 2015, Nike served its responses to all three sets of discovery. In Nike's responses, Nike objected to producing documents and information in response to Plaintiffs' RFP Numbers 16, 19, 22 and 23, and LOH Interrogatory Number 14, which are the discovery requests presently at issue. These requests sought documents and information regarding allegedly unauthorized and counterfeit Nike football jerseys that use the Lights Out mark.<sup>1</sup>

On June 9, 2015, the parties met and conferred about Nike's responses, and the parties agreed to proceed with production on the discovery requests at issue despite Nike's

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<sup>1</sup> The discovery requests at issue are as follows:

Plaintiffs' RFP No. 16: "All Documents Relating to Nike football jerseys which use 'Lights Out' in any manner, whether Nike contends them to be authentic or counterfeit. Without limit, this includes the products identified in LO01608 and LO01630 through LO01712." (Dkt. No. 70 at 9-10.)

Plaintiffs' RFP No. 19: "All Communications Relating to football jerseys marketed or sold as Nike jerseys which 'Lights Out' was used on or in connection with." (Id. at 13.)

Plaintiffs' RFP No. 22: "All Documents Relating to Your investigation of Your own use of 'Lights Out' on or in connection to football jerseys purporting to be Nike jerseys." (Id. at 16.)

Plaintiffs' RFP No. 23: "All Documents Relating to Your investigation of any third-party use of 'Lights Out' on or in connection with football jerseys purporting to be Nike jerseys." (Id. at 19.)

LOH's Interrogatory No. 14: "State the facts detailing Nike's actions relating to any counterfeit or unauthorized third-party use of the Nike brand name for products that also use the phrase 'Lights Out' in any manner, including but not limited to any threatened or actual litigation relating to such matters and the identify of such third parties." (Id. at 23.)

1 belief that the requests are, *inter alia*, not reasonably calculated to lead to the discovery of  
2 admissible evidence. The parties again met and conferred on June 24, 2015, about the  
3 supplemental production and when Nike would produce it.

4 On July 1, 2015, Nike made its supplemental production. The production consisted  
5 of two documents -- a settlement agreement and an investigative report. Nike also served  
6 a supplemental interrogatory response that referred to the documents it produced, per  
7 Federal Rule of Civil Procedure 33(d). On July 6, 2015, the parties again met and conferred  
8 to discuss Plaintiffs' perceived deficiencies in the supplemental production. Nike  
9 disagreed the production was deficient but offered to conduct additional searches for the  
10 documents. Plaintiffs responded that they planned to seek the Court's involvement in the  
11 dispute.

12 On July 10, 2015, the parties filed the present joint motion for determination of  
13 discovery dispute regarding Plaintiffs' RFP Numbers 16, 19, 22 and 23, and LOH's  
14 Interrogatory Number 14. (Dkt. No. 70.) Also on July 10, 2015, Nike served supplemental  
15 responses. Those supplemental responses reflected that, as demonstrated by its  
16 supplemental production, Nike had agreed to produce non-privileged documents  
17 responsive to the requests at issue.

### 18 **III. DISCUSSION**

#### 19 **a. Existence Of A Discovery Dispute**

20 As an initial matter, the Court addresses the parties' arguments regarding whether a  
21 dispute about these discovery requests exists. Nike contends no dispute exists because it  
22 already agreed to conduct an additional search after Plaintiffs complained of the allegedly  
23 deficient production. (Dkt. No. 70, pp. 6-9). As such, Nike avers the Court should deny  
24 Plaintiffs' request. Plaintiffs contend a dispute over the discovery requests exists because  
25 they received an allegedly deficient production. They further contend that after  
26 approximately 30 days of meeting and conferring, it was apparent they would need the  
27 Court's involvement. (Id. at 5-6.)

28 The Court finds this discovery dispute appropriate for determination. It appears

1 Plaintiffs brought this dispute before the Court so they could preserve their ability to  
 2 contest Nike's allegedly deficient production within the time permitted. *See* Chambers  
 3 Rule VI.C (requiring discovery disputes be brought within 45 days of the date of the event  
 4 giving rise to the dispute.) Accordingly, the Court turns to the substance of the parties'  
 5 arguments pertaining to the requests.

6 **b. Relevance Of The Discovery Sought In Plaintiffs' RFP Numbers 16, 19,**  
 7 **22 And 23, And LOH's Interrogatory Number 14**

8 The Court set forth the standard governing discovery in its previous discovery order.  
 9 (*See* Dkt. No. 65.) As such, the Court briefly discusses the relevancy requirements of Rule  
 10 26 herein.

11 A party may obtain discovery regarding any non-privileged information that is  
 12 relevant to any claim or defense. FED. R. CIV. P. 26(b)(1). Once the party seeking  
 13 discovery establishes that the request meets this broadly-construed relevancy requirement,  
 14 "the party who resists discovery has the burden to show that discovery should not be  
 15 allowed, and has the burden of clarifying, explaining, and supporting its objections."  
 16 *DIRECTV, Inc. v. Trone*, 209 F.R.D. 455, 458 (C.D. Cal. 2002) (*citing Blankenship v.*  
 17 *Hearst Corp.*, 519 F.2d 418, 429 (9th Cir. 1975)).

18 In their Joint Motion, the parties assert the same arguments regarding relevance for  
 19 each of the discovery requests at issue. The Court's discussion on the issue of relevance  
 20 therefore applies to each of Plaintiffs' requests.

21 Here, Plaintiffs contend the documents sought are relevant because communications  
 22 may show admissions by Nike of ownership of the Lights Out mark, which would be  
 23 directly relevant to Nike's assertion that it never made trademark use of the mark and  
 24 likewise would raise credibility issues that may affect affirmative defenses. (Dkt. No. 70  
 25 at 11.) Nike contends the discovery sought is not relevant because it never claimed  
 26 ownership of the mark, that the only "ownership" issue in this case is whether LOH has  
 27 rights in the alleged mark, and LOH has the burden of proof. (*Id.* at 12.)

28 The Court finds Plaintiffs satisfied their burden to meet the relevancy requirement,

1 albeit marginally so. The Court discerns the potential for discovering relevant information  
2 if, for example, the communications between Nike's anti-counterfeiting department and  
3 third-parties contain statements or references to information indicating consumer  
4 perceptions of Nike's use of the phrase "lights out" as trademark uses. Additionally, if the  
5 documents indicate Nike made statements suggesting ownership in the mark, despite  
6 Nike's position that it has never claimed ownership, such information could be relevant to  
7 refute Nike's contention that it never made trademark use of the mark.

8 Plaintiffs also argue the documents sought are relevant to Plaintiffs' damages claim  
9 for profits received through Nike's use of the Lights Out mark. This argument, however,  
10 is unpersuasive because Plaintiffs fail to explain how a third party's sale of counterfeit  
11 jerseys could possibly constitute Nike's use of the Lights Out mark.

12 Plaintiffs also assert the documents sought are relevant because they are  
13 communications, investigations, and records about the use of the Lights Out mark on  
14 counterfeit jerseys, and this case is about Nike's use of the mark on sports-related apparel.  
15 (Dkt. No. 70 at 11.) Nike avers Plaintiffs' argument provides no discernible reason why  
16 their anti-counterfeiting efforts as to third-party sales of counterfeit jerseys have anything  
17 to do with Plaintiffs' claims that Nike used the words "lights out" in connection with its  
18 sale of Nike-branded products. (Id. at 13.) The Court agrees with Nike, as Plaintiffs'  
19 argument is conclusory and does not contain a sufficient explanation to meet their burden  
20 to establish relevancy on this ground.

21 **c. The Parties Shall Meet And Confer To Construct The Searches**

22 Nike stated that after Plaintiffs complained of the allegedly deficient document  
23 production, Nike offered to conduct an additional searches for responsive documents, but  
24 Plaintiffs did not offer to cooperate in designing the additional search and did not propose  
25 search terms.

26 The Court reminds the parties of the ESI Order entered in this action. That order  
27 states the "[p]arties must meet and confer to limit ESI custodians and search terms prior to  
28 approaching the Court for assistance on any ESI matters. Each party must use a common

1 set of search terms for all custodians of another party from whom it seeks ESI.” (Dkt. No.  
 2 21 at 3.) The ESI Order also states “[e]mail production requests will identify the custodian,  
 3 search terms, and time frame. The parties will cooperate to identify the proper custodians,  
 4 proper search terms and proper time frames.” (Id.)

5 Since the parties’ meet and confer efforts to construct the additional searches stalled  
 6 when the parties diverted their efforts to prepare the Joint Motion, the parties are therefore  
 7 **ORDERED** to meet and confer as follows: Counsel for Plaintiffs, counsel for Nike, and  
 8 Nike’s technology officer(s) (i.e., the individual(s) at Nike who is/are responsible for  
 9 executing the searches once they are constructed) shall meet and confer no later than  
 10 August 10, 2015 to discuss and agree upon the proper custodians, search terms and time  
 11 frame to be used, as well as the timetable for running the searches and producing any  
 12 responsive documents.

13 The Court expects Plaintiffs to narrowly tailor the scope of the additional searches  
 14 they request be conducted, as well as to narrowly tailor the scope of the review and  
 15 production process. The Court does not approve of unnecessary, wasteful discovery. If  
 16 the additional searches to be conducted are too broad, the Court will consider a motion by  
 17 Nike for a protective order to shift the fees and costs of production, should Nike choose to  
 18 file one.

19 **d. Potential Privilege And Work Product Doctrine Issues Regarding**  
 20 **Plaintiffs’ RFP Numbers 22, 23 And LOH Interrogatory Number 14**

21 Lastly, the Court addresses the parties’ arguments with respect to potential privilege  
 22 and work product doctrine issues that may arise with respect to documents located as a  
 23 result of the additional searches. Plaintiffs argued that any documents responsive to the  
 24 requests relating to the investigation of Nike’s or a third-party’s use of the Lights Out mark  
 25 pertaining to football jerseys purporting to be Nike jerseys (RFP Numbers 22 and 23) is  
 26 not protected by the attorney-client privilege or work product doctrine unless the  
 27 communications were expressly undertaken by counsel. (Dkt. Nos. 70 at 17, 21.) Nike  
 28 responded it has not asserted the position presumed by Plaintiffs’ argument, and that

1 privilege issues are governed by the elements of attorney-client privilege and interpreting  
 2 and analyzing these elements, and that Plaintiffs have not identified any actual tangible  
 3 dispute. (Id. at 19, 22-23.)

4 The Court agrees with Nike that no tangible attorney-client privilege or work  
 5 product dispute with respect to this issue has yet to be identified. The Court thus need not  
 6 delve into a discussion at this time addressing the remainder of the parties' position on this  
 7 issue. If a dispute arises as a result from documents located from the additional searches  
 8 and withheld on grounds of attorney-client privilege or the work product doctrine, the  
 9 Court will permit the parties to bring a joint motion on that limited issue, provided it is  
 10 done within thirty (30) days of receipt of the documents.


#### 11 **IV. CONCLUSION**

12 Accordingly, for the aforementioned reasons, the Court **ORDERS** that:

- 13 1. Plaintiffs' request to compel further production in response to RFP Numbers  
 14 16, 19, 22, 23 and LOH's Interrogatory Number 14 is **GRANTED**; and
- 15 2. Counsel for both parties and Nike's technology officer(s) shall meet and  
 16 confer in accordance with the instructions contained in this Order.

17 **IT IS SO ORDERED.**

18 Dated: July 31, 2015

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 20 Hon. Nita L. Stormes  
 21 United States Magistrate Judge  
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